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**IDEAL PROCUREMENT SYSTEM FOR NEW
ZEALAND PRIVATE SECTOR CONSTRUCTION
CLIENTS**

Research Thesis
MPhil (Construction)

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IDEAL PROCUREMENT SYSTEM FOR NEW ZEALAND PRIVATE SECTOR CONSTRUCTION CLIENTS

A research thesis presented in fulfillment of the requirements for the
degree of

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ABSTRACT

Making the right choice of a procurement system at the onset ensures successful project delivery, a satisfied client, a successful service provider, and a reputable construction industry. Research has shown that client's requirements have not been properly addressed due largely to wrong choice of procurement systems.

This research aims to identify the priority needs of clients and the appropriate procurement system that can ensure the delivery of satisfactory outcomes. Investigations were limited to the views expressed by private sector construction clients, consultants and contractors, registered with their respective umbrella organizations in New Zealand. The descriptive survey method was used, which involved pilot interviews and structured questionnaire surveys. Content analysis, multi-attribute analysis and rank correlation tests were used in the analysis of the data.

Results showed that clients' would prefer a procurement system that can ensure the delivery of the project within time, budget and quality/specification targets. Other priority needs include fixed price tender, competitive/ lowest price tenders, separate service provider for the design and management of the construction, life cycle cost, risk preference and to accommodate variation orders without incurring financial penalties. Construction management type of procurement system offering responsibilities for monitoring and coordinating the construction process is the ideal procurement route that could best meet the needs of the New Zealand construction clients. However, the sequential traditional procurement system is the most commonly used; clients are not prepared to adopt any other system that could better meet their procurement needs. The most influential reason for this is the perceived risk evasiveness of clients in the adoption of other systems which are not tried and tested. The use of partnering clause in the prevailing sequential traditional system is recommended to ensure win-win outcomes for all stakeholders and to motivate service providers to deliver more satisfactory outcomes to their clients.

Keywords *Construction clients, construction industry, clients' needs, construction management, procurement system*

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I declare that the above thesis is my own original work. It has not been submitted elsewhere for assessment.

The guidance received from my supervisor is hereby acknowledged. Human Ethics requirements have been complied with in accordance with Massey University research requirements.

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